



Philadelphia Home Ownership Center

U.S. Department of Housing and Urban Development

The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-3389

March 23, 2000

CIRCULAR LETTER PH 00-01

(Revised: 06-05-06)

TO: All Approved Mortgagees Doing Business in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Engram A. Lloyd, Director, Philadelphia Homeownership Center

SUBJECT: Lender Selection of Roster Inspectors

In April 1996, the Department issued Mortgagee Letter 96-18 which formally discontinued the practice of HUD field offices assigning inspectors on both new construction and existing houses. Effective on the date of issuance of that Mortgagee Letter, mortgage lenders were free to select fee inspectors from a panel of inspectors approved by FHA.

Although mortgages (or builders, if allowed by the lender) can directly contact the roster inspector to schedule inspections, lenders are once again advised not to continually select the same individual to inspect houses from the same builder. In this regard, mortgage lenders should rotate inspectors, particularly in large subdivisions. If the Homeownership Center finds that an inspector tends to inspect for the same builder for more than a four-month period, the lender may be required to select a different inspector for future cases.

We appreciate your cooperation in complying with these policies. If you have any questions or comments, please direct them to the FHA Resource Center at (800) CALLFHA.